

**SHERIFF OF WASHINGTON COUNTY  
AGENCY FUNDS  
FISCAL YEAR ENDED JUNE 30, 2000  
JUNE 2002**

**DEPARTMENT OF ADMINISTRATION  
BUREAU OF AUDITS  
ONE CAPITOL HILL  
PROVIDENCE, RI 02908-5889**



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

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SHERIFF OF WASHINGTON COUNTY  
AGENCY FUNDS  
FISCAL YEAR ENDED JUNE 30, 2000

**EXECUTIVE SUMMARY**

Our prior audit report, issued September 2000, contained nine recommendations. The status of those recommendations is as follows:

Implemented	2
Not Implemented	4
No Longer Applicable	<u>3</u>
Total	<u>9</u>

Our audit, for the fiscal year ended June 30, 2000, identified the following as areas for management's attention:

- Develop a policies and procedures manual and distribute it to employees.
- Establish a formal accounting system that integrates a general ledger with books or original entry (i.e., cash receipts and disbursements journal) to enhance accountability.
- Establish an accounts receivable control account to enhance the present system and to facilitate the reconciliation of subsidiary account balances.
- Perform monthly reconciliations between the subsidiary ledger and the control account and resolve differences that are discovered.

SHERIFF OF WASHINGTON COUNTY  
AGENCY FUNDS  
FISCAL YEAR ENDED JUNE 30, 2000

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June 27, 2002


Mr. William Gingerella  
High Sheriff of Washington County  
4800 Tower Hill Road  
Wakefield, RI 02879

Dear Sheriff Gingerella:

We have completed an audit of the Sheriff of Washington County for the fiscal year ended June 30, 2000 in accordance with Sections 35-7-3 and 35-7-4 of the R.I. General Laws.

The findings and recommendations included herein have been discussed with management, and we have considered their comments in the preparation of our report. Section 35-7-4 of the General Laws requires the director of the department audited to respond in writing within 60 days to all recommendations made by the Bureau of Audits. A copy of your reply should also be sent directly to Robert L. Carl, Jr., Ph.D., Director, Department of Administration; to the Honorable Gordon D. Fox, Chairman of the House Finance Committee; and to the Honorable Frank T. Caprio, Chairman of the Senate Finance Committee.

Sincerely,

  
Stephen M. Cooper, CFE, CGFM  
Chief, Bureau of Audits

SMC:pp

SHERIFF OF WASHINGTON COUNTY  
AGENCY FUNDS  
FISCAL YEAR ENDED JUNE 30, 2000

**INTRODUCTION**

We have conducted an audit of the operating practices in place at June 30, 2000 and an audit of the financial transactions and records for the agency funds of the Washington County Sheriff's Office for the fiscal year ended June 30, 2000.

Our audit extended to the following funds:

- Service Fee Fund
- Witness Fee Fund

The purpose of our audit was to determine whether:

- The Washington County Sheriff's Office complied with applicable state laws and established rules and regulations.
- The accounting systems and procedures were adequate, efficient, and effective.
- The operating procedures were conducted in an economical and efficient manner.
- Cash transactions were properly accounted for within state-authorized agency funds.

**Background**

The state constitution provides that the governor appoint a sheriff for each county. The sheriffs or their deputies, as attaches of the courts, attend all sessions of the supreme, superior, family, and district courts. The sheriffs also attend the General Assembly when it is in session. Additionally, they execute all civil writs of process, summon witnesses to appear in court, transport prisoners and defendants to court and to state institutions, collect fees for services performed as officers of the courts, and perform all other duties assigned to them by law.

All sheriffs shall hold office for a period of ten years. Deputy sheriffs shall be appointed and/or promoted with the approval of the Governor. Each sheriff operates independently within their jurisdiction and reports directly to the Governor.



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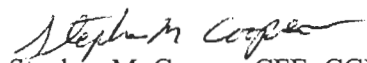
Mr. William Gingerella  
High Sheriff of Washington County  
4800 Tower Hill Road  
Wakefield, RI 02879

We have audited the accompanying financial statements of the Sheriff of Washington County as of and for the year ended June 30, 2000, as listed in the table of contents. These financial statements are the responsibility of the Sheriff of Washington County. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with *Standards for the Professional Practice of Internal Auditing*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects the financial position of the agency funds of the Sheriff of Washington County at June 30, 2000, and the cash receipts and disbursements for the year then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. Other financial information included in Schedules 1 and 2 of the report are presented for purposes of additional analysis and are not a required part of the financial statements of the agency funds of the Sheriff of Washington County. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the combining financial statements taken as a whole.

  
Stephen M. Cooper, CFE, CGFM  
Chief, Bureau of Audits  
August 6, 2001

SMC:pp

SHERIFF OF WASHINGTON COUNTY  
 AGENCY FUNDS  
 COMBINING BALANCE SHEET  
 June 30, 2000

	Service Fee Fund	Witness Fee Fund	Total
<u>ASSETS</u>			
Cash	\$ 445.50	2,077.13	2,522.63
Accounts Receivable	2,634.50	-	2,634.50
Due from Service Fee Fund	-	12.00	12.00
Total Assets	<u>\$ 3,080.00</u>	<u>2,089.13</u>	<u>5,169.13</u>
<u>LIABILITIES</u>			
Advance From General Fund	\$ 433.50	2089.13	2,522.63
Due to Witness Fee Fund	12.00	-	12.00
Deferred Liabilities	2,634.50	-	2,634.50
Total Liabilities	<u>\$ 3,080.00</u>	<u>2,089.13</u>	<u>5,169.13</u>

See accompanying notes to financial statements.

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EXHIBIT B

SHERIFF OF WASHINGTON COUNTY  
 AGENCY FUNDS  
 STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
 FISCAL YEAR ENDED JUNE 30, 2000

	Service Fee Fund	Witness Fee Fund	Total
<u>Cash Receipts</u>			
Service Fees	\$ 34,213.00	-	34,213.00
Advance from General Fund	-	3,000.00	3,000.00
Attorney Collections	2,481.71	-	2,481.71
Refunds	1,246.00	-	1,246.00
Other	474.30	221.50	695.80
	<u>38,415.01</u>	<u>3,221.50</u>	<u>41,636.51</u>
Total Cash Receipts			
	<u>38,415.01</u>	<u>3,221.50</u>	<u>41,636.51</u>
<u>Cash Disbursements</u>			
Transfers to General Fund	34,211.00	-	34,211.00
Witness Fees	943.60	3,460.60	4,404.20
Attorney Collections	1,538.11	-	1,538.11
Refunds	1,246.00	-	1,246.00
Service Fees	-	20.00	20.00
Voided Checks	-	10.30	10.30
Other	493.70	-	493.70
	<u>38,432.41</u>	<u>3,490.90</u>	<u>41,923.31</u>
Total Cash Disbursements			
	<u>38,432.41</u>	<u>3,490.90</u>	<u>41,923.31</u>
Deficiency of Cash Receipts Over Cash Disbursements	<u>(17.40)</u>	<u>(269.40)</u>	<u>(286.80)</u>
Cash Balance, July 1	<u>462.90</u>	<u>2,346.53</u>	<u>2,809.43</u>
Cash Balance, June 30	\$ <u><u>445.50</u></u>	<u><u>2,077.13</u></u>	<u><u>2,522.63</u></u>

See accompanying notes to financial statements.

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SHERIFF OF WASHINGTON COUNTY  
AGENCY FUNDS  
FISCAL YEAR ENDED JUNE 30, 2000

**NOTES TO FINANCIAL INFORMATION**

**Note 1 - Significant Accounting Policies**

Fund Accounting

The accounts of the Sheriff of Washington County are organized on the basis of funds, each of which is considered to be a separate accounting entity. Only the agency funds of the Sheriff's Office are presented in the accompanying financial statements, and a description of these funds follows:

Agency Funds - are used to account for assets held by the Sheriff as an agent for individuals, private organizations, the general fund, and/or other funds. The two types of agency funds maintained are:

- Service Fee Fund - is used to account for monies received for the execution of writs, services performed as an officer of the court, and other duties assigned by law.
- Witness Fee Fund - is used to disburse fees to witnesses for daily attendance before the supreme court or the superior court, or before any other tribunal or magistrate, including attendance in giving depositions.

Basis of Accounting

The accompanying financial statements are presented on the modified accrual basis of accounting as prescribed by generally accepted accounting principles. Agency Funds are custodial in nature; accordingly, at any given point in time, total assets are equally offset by related liabilities including amounts due to the parties for whom the assets are being held.

**Note 2 - Accounts Receivable**

The accounts receivable balance is comprised of various fees due from attorneys and others. The present accounting system does not generate an accounts receivable control, which precludes allocating the changes in the account between balance sheet dates.

**Note 3 - Advance from Superior Court**

This balance represents the unexpended balance of monies advanced by the Superior Court to pay witness fees.

**Note 4 – Due to General Fund**

The balance of this account represents monies owed to the General Treasurer of the State of Rhode Island for service fees as of the fiscal year end.

**Note 5 - Deferred Liabilities**

For the purpose of financial statement presentation, this account represents a contra account to accounts receivable.

SHERIFF OF WASHINGTON COUNTY  
SERVICE FEE FUND  
COMPARATIVE STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
FISCAL YEARS ENDED JUNE 30, 2000 AND 1999

	<u>2000</u>	<u>1999</u>
Cash Receipts:		
Service Fees	\$ 34,213.00	34,221.66
Attorney Collections	2,481.71	1,529.10
Refunds	1,246.00	2,592.76
Miscellaneous	-	3,600.55
Other	<u>474.30</u>	<u>700.75</u>
Total Cash Receipts	<u>38,415.01</u>	<u>42,644.82</u>
Cash Disbursements:		
Transfers to General Fund	34,211.00	34,221.66
Witness Fees	943.60	-
Collections	1,538.11	1,529.10
Refunds	1,246.00	2,592.76
Miscellaneous	-	3,613.05
Other	<u>493.70</u>	<u>616.35</u>
Total Cash Disbursements	<u>38,432.41</u>	<u>42,572.92</u>
Deficiency of Cash Receipts Over Cash Disbursements	(17.40)	71.90
Cash Balance, July 1	<u>462.90</u>	<u>391.00</u>
Cash Balance, June 30	<u>\$ 445.50</u>	<u>462.90</u>

See accompanying notes to financial statements.

SHERIFF OF WASHINGTON COUNTY  
WITNESS FEE FUND  
COMPARATIVE STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
FISCAL YEARS ENDED JUNE 30, 2000 AND 1999

	<u>2000</u>	<u>1999</u>
Cash Receipts:		
Advance from General Fund	\$ 3,000.00	3,000.00
Other	<u>221.50</u>	<u>277.34</u>
Total Cash Receipts	<u>3,221.50</u>	<u>3,277.34</u>
 Cash Disbursements:		
Witness Fees	3,460.60	3,162.30
Service Fees	20.00	-
Voided Checks	10.30	-
Other	<u>-</u>	<u>192.00</u>
Total Cash Disbursements	<u>3,490.90</u>	<u>3,354.30</u>
Deficiency of Cash Receipts Over Cash Disbursements	(269.40)	(76.96)
Cash Balance, July 1	<u>2,346.53</u>	<u>2,423.49</u>
Cash Balance, June 30	<u>\$ 2,077.13</u>	<u>2,346.53</u>

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SHERIFF OF WASHINGTON COUNTY  
AGENCY FUNDS  
FISCAL YEAR ENDED JUNE 30, 2000

**STATUS OF PRIOR AUDIT RECOMMENDATIONS**

The following audit recommendations were identified in the report prepared by the Bureau of Audits for the fiscal year ended June 30, 1998, issued September 2000.

1. A standard operating policies and procedures manual should be developed, implemented, and promulgated to the entire staff.

Not implemented. (See recommendation 1.)

2. Management should seek clarification of RIGL 42-29-31 pertaining to the extension of credit to attorneys.

No longer applicable.

3. A copy of the witness sign-in sheets should be forwarded to the superior court to facilitate reimbursement.

Implemented.

4. A formal accounting system integrating the books of original entry (i.e., cash receipts and disbursements journals) with a general ledger should be established to enhance accountability and efficiency.

Not implemented. (See recommendation 2.)

5. Establish an accounts receivable control account to enhance the present system and to facilitate the reconciliation of subsidiary account balances.

Not implemented. (See recommendation 3.)

6. Monthly reconciliations between the subsidiary accounts receivable ledger and the control account should be performed and differences, if any, should be resolved.

Not implemented. (See recommendation 4.)

7. All cash receipts should be recorded at the time they are received and deposits should be made daily or alternatively when a pre-established amount has been received. This latter option should factor in security and insurance considerations.

Implemented.

8. Update inventory listings on a continuous basis to reflect capital items acquired.

No longer applicable.

9. A physical property inventory should be taken no less than annually and a listing should be developed to identify their locations.

No longer applicable.

SHERIFF OF WASHINGTON COUNTY  
AGENCY FUNDS  
FISCAL YEAR ENDED JUNE 30, 2000

**FINDINGS AND RECOMMENDATIONS**

**Policies and Procedures Manual**

The Washington County Sheriff's Office does not have a policies and procedures manual in place. It would provide management and employees with a systematic approach to implementing policies, plans, and work routines. A properly developed manual would convey management's philosophies, improve communications, improve productivity, reduce training time, and strengthen operations.

Before organizing and compiling information for the manual the following steps should be considered:

- Select the appropriate personnel who will have the authority and the responsibility for preparing specific sections of the manual and who will have ultimate authority over the entire manual.
- Determine the desired content of the manual, including what should and should not go into it.
- Outline the major sources of information for the manual.
- Determine an appropriate communication format for policy and procedure statements, to ensure that they are written for clarity and understanding.
- Determine the final format and organization of the manual.

**Recommendation**

1. Develop a policies and procedures manual and distribute it to employees.

### **Accounting System**

The Washington County Sheriff's Office does not maintain a formal accounting system for its service fee and witness fee funds. Accountability for transactions processed is performed primarily through the use of checking accounts while control over cash is focused upon the bank reconciliation process since a formal general ledger is not maintained. The establishment of a general ledger system would enhance accounting and reporting requirements and would permit management to make informed decisions concerning financial matters.

### **Recommendation**

2. Establish a formal accounting system that integrates a general ledger with books of original entry (i.e., cash receipts and disbursements journal) to enhance accountability.

### **Accounts Receivable**

The Washington County Sheriff's Office maintains an accounts receivable ledger but does not maintain a formal control account to monitor the balances of receivables. The absence of this basic control diminishes the effectiveness of the present system and does not provide data that can be used to monitor the accuracy of subsidiary account postings.

### **Recommendations**

3. Establish an accounts receivable control account to enhance the present system and to facilitate the reconciliation of subsidiary account balances.
4. Perform monthly reconciliations between the subsidiary ledger and the control account and resolve differences that are discovered.